

The last thing a lender as a rule wants is a foreclosure because the house is vacant in the neighborhood. Senator DODD was talking about that. We do not need four or five vacancies in the neighborhood and the house run down, weeds growing instead of the lawn trimmed.

Everybody knows what that does to the value of their neighbors' property.

Housing is important. What we are trying to do—and one can see the votes we have been getting—is fashion something that will give a lot of people a better opportunity to finance their home, as well as to regulate the GSEs in a meaningful way. Most of the Members of the Senate know that.

If somebody has an amendment, they ought to come down here. I know we can debate this for 30 hours under the rules—I believe that is right—after cloture.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. SHELBY. We are that close to passing a meaningful piece of legislation. We would like to pass it. We would like the House to pick it up quickly—either agree to it, amend it, or whatever, and get it to the President. The sooner, the better.

This is not a perfect piece of legislation, but overall it has a lot of good things in it. I certainly urge my colleagues to support it.

I yield the floor.

RECESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, at 12:30 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

AMERICAN HOUSING RESCUE AND FORECLOSURE PREVENTION ACT OF 2008—Continued

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the Senate is not in a quorum call, I expect.

The PRESIDING OFFICER. The Senator is not in a quorum call.

The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 10 minutes and that 10 minutes be applied to the 30 hours postcloture.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Mr. President, reserving the right to object, and I will not object, I ask unanimous consent that following Senator VITTER—he is going to speak next for approximately 5 minutes—I then be recognized to speak for up to 20 minutes.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

The Senator from North Dakota is recognized.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 3183 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DORGAN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Mr. President, I rise to speak on the housing bill before this body now and to speak about an important omission from the managers' amendment that is before the Senate. This is just one piece, one narrow issue, but it is an important one that will affect many folks in the housing market and throughout America. I am talking about the need to provide a transition period for the implementation of the new GSE regulatory structure in the bill.

A large part of this legislation on housing recovery is devoted to GSE regulatory reform. GSE means "government-sponsored enterprises"—regulatory reform regarding those entities. This is a huge undertaking, with wide-reaching consequences for the mortgage and housing industries and our economy generally.

This GSE reform title would combine the regulatory authority and personnel of three distinct agencies—HUD, the FHLB, and the OFHEO—to create an entirely new GSE supervisor with broad, far-reaching powers over this \$3 trillion part of our economy, the housing finance system. The effects of new regulatory powers would not be limited even to the housing industry, as big as it is. The vast global investment in GSE securities and the 8,000 member banks that obtain liquidity and other services from our Federal Home Loan Bank system would also be significantly affected.

Given the far-reaching and very significant impact of this part of the bill—this very significant consolidation of three separate agencies—I think simple common sense would dictate that implementing that sort of measured change should be done with great care and over some reasonable time period. That is why the House in its legislation recognized the need for an orderly transition. Their bill included a uniform effective date of 6 months after enactment to allow the President to begin the appointment process immediately but to give that 6-month transition to a very new regulatory structure.

Unfortunately, the bill before us in the Senate today does not include this transition period in this language.

Under the Senate substitute amendment, the powers of the new agency would be effective immediately, potentially destabilizing our housing market, causing real concerns among many in that important market.

I am very concerned about this. I think it is a significant omission, a significant problem, a significant issue. Making the powers of a new agency effective immediately, before the three

existing agencies are combined and before expert personnel can be transferred and this new agency staffed is putting the cart before the horse. At a time of great instability in the mortgage and housing markets, we should use care to preserve consumer and market confidence by ensuring a smooth transition and regulatory stability.

That is why I am strongly urging the adoption of the House approach with regard to this specific issue. It would ensure a gradual transition of no less than 6 months, allowing for careful and efficient consolidation. In our push to make the housing and mortgage markets stronger and more responsive to the American people, let's also make certain we don't break what we didn't need to fix in the first place.

I urge my colleagues in the Senate to adopt this commonsense, reasonable, balanced House approach with regard to a 6-month transition.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, is it necessary that I ask to speak as in morning business? I am taking time off my postcloture time.

The PRESIDING OFFICER. The Senator may be recognized under cloture.

Mrs. BOXER. I thank the Chair.

DRILLING IN PRISTINE AREAS

Mr. President, I am going to discuss, in about a 20-minute timeframe, a couple issues that are swirling around this country and the Senate, and I wish to go on record on both of them. One has to do with President Bush and Senator McCain's proposal to open pristine areas off America's coastline to offshore oil drilling as an answer, they say, to high gas prices. I am going to, hopefully, debunk that argument, and I hope I can do it convincingly.

The second area is going to be my feeling on the FISA bill, which is coming to us tomorrow—the Foreign Intelligence Surveillance Act bill.

I think I can start off where Senator DORGAN ended. He has been brilliant on the point that speculation in oil futures is what is responsible for a good deal of this horrific runup in the price of gas at the pump. We need to do something about these speculators. We have been blocked from doing that by the Republican leadership. I wish to quote Michael Greenberg, a former director of trading and markets for the Commodity Futures Trading Commission, who testified before the Senate Commerce Committee. He said:

Going after the speculators will bring down the price of crude oil to get at least a 25 percent drop in the cost of oil and a corresponding drop in the cost of gasoline.

Testifying Monday before a House Energy and Commerce Committee subcommittee, Michael Masters, of Masters Capital, said:

The price of crude oil would drop to a marginal cost of \$65 to \$75 a barrel, about half of the current \$135.

Imagine, the experts are telling us speculation is responsible for about 25